



2010

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** Nordstrom  
**COUNTRY:** China  
**FACTORY CODE:** 0800151072I  
**MONITOR:** Global Standards  
**AUDIT DATE:** June 28 – 29, 2010  
**PRODUCTS:** Knit Socks, Knitted Underwear  
**PROCESSES:** Knitting, Sewing, Inspection, Packing  
**NUMBER OF WORKERS:** 254

**FLA Comment:** As of 2011, Nordstrom has ceased affiliation with the FLA and therefore will not be providing any further updates on the pending corrective action plans in this report.



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## Forced/Compulsory Labor: Employment Records

F.9 Employers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. (P)

### Noncompliance

**Explanation:** 3 out of 30 workers' identification cards are expired.

**Plan Of Action:** [Factory name] must ensure all workers possess valid identification to prevent child labor. Nordstrom will reiterate expectations relating to worker identification and clarify how a strong verification system helps prevent child labor violations. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** [Factory name] will ensure that all workers possess valid identification to prevent child labor. All these IDs will be checked by local police officers.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

**Plan Complete Date:**

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## Freedom of Association: Right to Freely Associate

FOA.2 Workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers. (S)

### Noncompliance

**Explanation:** FLA Comment: The Chinese constitution guarantees Freedom of Association (FOA); however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union - the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of FOA, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. However, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms. The Amended Trade Union Act of Oct. 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. Trade unions also have an enhanced role in dispute resolution. In Dec. 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.

**Plan Of Action:** This factory has been identified as a candidate for a grievance procedure development project to be implemented in 2011. The project will investigate current factory practices around grievance procedures and build capacity for an enhanced complaint/resolution mechanism. The project will also introduce and promote the concept of a workers' committee and enhance workers' abilities to raise concerns to Nordstrom via a direct hotline. Nordstrom will implement the grievance procedure development project in 2011 via Timeline Consultancy.

**Deadline Date:** 12/31/2011

**Action Taken:**

**Plan Complete:** No

Plan  
Complete  
Date:

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### Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

#### Noncompliance

**Explanation:** The 2 exit doors in the knitting area and accessory storage only open inward.

**Plan Of Action:** [Factory name] must ensure exit doors open outward to facilitate easy and safe evacuation in case of emergency. Nordstrom will reiterate expectations relating to fire safety and clarify why exit doors that open only inward create a health and safety hazard during fire evacuation. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** [Factory name] will strategize a cost-effective solution to ensure the affected exit doors open outward.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

Plan  
Complete  
Date:

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### Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

#### Noncompliance

**Explanation:** There is no personal protective equipment (PPE) provided for workers who have to use chemical materials, such as goggles and gloves.

**Plan Of Action:** [Factory name] must provide appropriate PPE, free of charge, to all employees who handle hazardous chemicals. Nordstrom will reiterate expectations relating to PPE and clarify why poor enforcement of PPE requirements creates an occupational disease hazard. The importance of regular training will be emphasized. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** [Factory name] will provide applicable PPE and training to workers.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

Plan  
Complete  
Date:

### **Health and Safety: Material Safety Data Sheets/Worker Access and Awareness**

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

#### **Noncompliance**

**Explanation:** There is no MSDS posted at heat transfer area (such as for cleaning oil, acetone).

**Plan Of Action:** [Factory name] must post MSDS sheets for all applicable hazardous chemicals. Nordstrom will reiterate expectations relating to MSDS documentation and clarify why adequate chemical documentation helps prevent exposure to hazardous chemical compounds. The importance of training will be emphasized. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** [Factory name] will post MSDS sheets for applicable chemicals and provide relevant training to employees.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

**Plan Complete Date:**

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## Health and Safety: Other - Health and Safety

Other

### Noncompliance

**Explanation:** There are no waste disposal systems for chemical materials.

**Plan Of Action:** [Factory name] must dispose of chemicals safely and in compliance with local standards. Nordstrom will reiterate expectations relating to chemical safety and clarify why proper disposal of hazardous chemicals prevents occupational disease and environmental toxicity. The importance of training will be emphasized. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** [Factory name] will use one special cabin for the disposal of chemicals and hazardous materials. Training will be provided to affected employees.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

**Plan Complete Date:**

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### Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

#### Noncompliance

**Explanation:** According to time records, knitting workers do not receive 1 day off in every 7 days. They worked continuously for 9 days in June 2010.

**Plan Of Action:** [Factory name] must provide 1 day of rest in every 7-day period. Nordstrom will reiterate expectations relating to overtime/rest days and clarify why excessive overtime leads to poor performance, safety hazards, and compromised product quality. Nordstrom will verify improvements via its annual audit process in 2011.

**Deadline Date:** 10/01/2010

**Supplier CAP:** Regarding the rest day, this was clearly stated to [Factory name] and [Factory name's] boss has agreed to provide 1 day of rest in every 7-day period.

**Supplier CAP Date:** 08/25/2010

**Action Taken:** Nordstrom is following up to collect electronic evidence of improvement.

**Plan Complete:** No

**Plan Complete Date:**

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